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ABSTRACT

Information was collected on three issues related to the extent to which states use welfare dollars to provide work support and other services to welfare recipients and other low-income families. They were: extent of caseload decline since welfare reform was implemented and status of families who have left welfare; extent to which states spend Temporary Assistance for Needy Families (TANF) and maintenance-of-effort (MOE) funds for cash assistance and noncash services and how this compares to welfare spending in fiscal year 1995; and extent to which states use TANF and MOE funds to provide services to low-incomes families not included in the reported welfare caseload. Findings indicated, as states implemented work-focused reforms during a period of strong economic growth, cash assistance caseloads dropped by more than 50 percent from 1996 through mid-2001. Focus of welfare spending shifted from monthly cash payments to services. States provided more work support services for welfare families and offered many services to low-income families not receiving welfare. At least 46 percent more families than were reflected in the TANF caseload data received a service funded with TANF/MOE dollars. Appendixes include the basis for the estimate of families receiving services and data on families receiving services. (Contains 18 footnotes.) (YLB)

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Testimony

Committee on Finance,
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# WELFARE REFORM

# States Provide TANF-Funded Work Support Services to Many Low-Income Families Who Do Not Receive Cash Assistance

Statement of Cynthia M. Fagnoni, Managing Director,
Education, Workforce, and Income Security Issues

ED 466 755

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Mr. Chairman and Members of the Committee:

Thank you for inviting me here today to discuss the extent to which states are using welfare dollars to provide work support and other services to welfare recipients and other low-income families. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) significantly changed federal welfare policy for low-income families with children, building upon and expanding state-level reforms. It ended the federal entitlement to assistance for eligible needy families with children under Aid to Families With Dependent Children (AFDC) and created the Temporary Assistance for Needy Families (TANF) block grant, designed to help needy families reduce their dependence on welfare and move toward economic independence. The TANF block grant, which is administered by the Department of Health and Human Services (HHS), makes $16.5 billion available to states each year, regardless of changes in the number of people receiving benefits. To qualify for their full TANF allotments, states must spend a certain amount of state money, referred to as maintenance-of-effort (MOE) funds.

My testimony today will focus on three key issues: (1) the extent of caseload decline since welfare reform was implemented and the status of families who have left welfare, (2) the extent to which states are spending TANF and MOE funds for cash assistance and noncash services and how this compares to welfare spending in fiscal year 1995, and (3) the extent to which states are using TANF and MOE funds to provide services to low-income families not included in the welfare caseload reported by states to HHS. To address the first key issue, we used information from our 1999 review of state studies and more recent studies. To address the second key issue we analyzed information on spending by all 50 states. To address the third key issue, we visited 5 states (California, Indiana, Pennsylvania, Texas, and Wisconsin) and telephoned 20 other states. Together, these are the 25 states that receive the most TANF dollars. We conducted our work from August 2001 through March 2002 in accordance with generally accepted government auditing standards.

In summary, as states implemented work-focused reforms during a period of strong economic growth, cash assistance caseloads dropped by more than 50 percent from 1996 through mid-2001. Our work and other studies have shown that most former welfare recipients who left the welfare rolls were employed at some point after leaving welfare, typically with earnings that did not raise them above the poverty level. This emphasis on work was accompanied by changes in welfare spending, with the focus of welfare spending shifting from monthly cash payments to services, such as

child care and transportation to help working families. This shift reflects two key features of reform. First, many states have increased spending to engage more welfare families in work or work-related activities and to provide more intensive services for some of these families. Second, many states have increased their efforts to provide services to low-income families not receiving welfare. Services for these families include child care, case management, and job retention and advancement services for families who have recently left welfare for employment and for other low-income working families. In addition, some states provide a broad range of services to some low-income families, including family literacy and after school activities and substance abuse prevention services. While states have the flexibility under TANF to use their federal and state welfare-related funds to provide services to families not receiving monthly cash assistance, these families are not reflected in caseload data reported by states to HHS. As a result, TANF caseload data regularly used by program administrators and policymakers do not provide a complete picture of the number of families receiving benefits and services through TANF. In the 25 states that we studied, we estimated that—at a minimum—830,000 families received a service funded at least in part with federal or state welfare funds in addition to the 1.8 million families who received cash assistance.[1] With the sweeping changes in federal and state welfare policies, it is important to look beyond the traditional measure of the TANF caseload to better understand the role of TANF in supporting the work efforts of low-income families.

## Background

TANF was designed to give states the flexibility to create programs that meet four broad goals:

- Providing assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;
- Ending the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;
- Preventing and reducing the incidence of out-of-wedlock pregnancies; and
- Encouraging the formation and maintenance of two-parent families.

[1] These counts are based on 2001 monthly averages or the most recent month for which data on service recipients were available from each surveyed state.

The amount of the TANF block grant was determined based on pre-PRWORA spending on (1) AFDC, a program that provided monthly cash payments to needy families; (2) Job Opportunities and Basic Skills (JOBS), a program to prepare AFDC recipients for employment; and (3) Emergency Assistance, a program designed to aid needy families in crisis situations. To meet the MOE requirement, states must spend 80 percent or 75 percent of their pre-PRWORA share of spending on AFDC, JOBS, Emergency Assistance, and AFDC-related child care programs. States have considerable flexibility in what they spend TANF and MOE funds on. In addition to spending on cash benefits—that is, monthly cash assistance payments to families to meet their ongoing basic needs—states can spend TANF/MOE funds on services for cash assistance recipients or other low-income families. States are allowed to transfer up to 30 percent of their TANF funds to the Child Care and Development Fund[2] (CCDF) and the Social Services Block Grant (SSBG).

TANF regulations require states to report to HHS data on families receiving "assistance"[3] under the TANF program. These reported families are referred to as the TANF or welfare caseload. Typically, these families are receiving monthly cash payments. Therefore, families who receive TANF/MOE-funded services but do not receive monthly cash payments are typically not included in the reported TANF caseload.

## Caseloads Declined by 50 Percent after PRWORA Implementation and Many Former Welfare Families Are Working

The states' implementation of more work-based programs, undertaken under conditions of strong economic growth, has been accompanied by a dramatic decline in the number of families receiving cash welfare. The number of families receiving welfare remained steady during the 1980s and then rose rapidly during the early 1990s to a peak in March 1994. The caseload decline began in 1994 and accelerated after passage of PRWORA, with a 53 percent decline in the number of families receiving cash welfare—from 4.4 million families in August 1996 to 2.1 million families in July 2001. Caseload reductions occurred in all states, ranging from 16 percent in Indiana to 89 percent in Wyoming. Between July and September 2001, however, the nationwide welfare caseload increased 1 percent.

[2] The Child Care and Development Fund provides federal funds to states to subsidize child care for low-income families and to address child care quality issues.

[3] TANF regulations define assistance as benefits designed to meet a family's ongoing basic needs. With rare exceptions, we found that families receiving assistance were those receiving monthly cash payments.

Between July and December 2001, the welfare caseload in many states increased, with a 5 percent average increase across 18 of 23 surveyed states.[4] While economic changes and state welfare reforms have been cited as key factors to explain nationwide caseload changes, there is no consensus about the extent to which each factor has contributed to these changes.[5]

Given the large decline in the number of families receiving cash assistance in recent years, attention has been focused on learning how these families are faring. Studies show that most adults who left welfare had at least some attachment to the workforce. Our 1999 review on the status of former welfare recipients based on studies from seven states found that from 61 to 71 percent of adults were employed at the time they were surveyed.[6] Studies measuring whether an adult in a family had ever been employed since leaving welfare reported employment rates from 63 to 87 percent.[7] A 2001 review of state and local-level studies conducted by the Congressional Research Service (CRS) shows similar patterns.[8] In addition, the Urban Institute, using data from its 1999 National Survey of America's Families (NSAF)—a nationally representative sample—finds that 64 percent of former recipients who did not return to TANF reported that they were working at the time of follow-up, while another 11 percent

[4] Caseload data were collected through December 2001 from states surveyed for this review. Twenty-three of the 25 states surveyed were able to provide caseload data through December 2001. Data from California and Pennsylvania were not available.

[5] For a summary of studies on caseload changes, see Stephen H. Bell, *Why Are Welfare Caseloads Falling?* (discussion paper) (Washington D.C.: Urban Institute, 2001).

[6] See U.S. General Accounting Office, *Welfare Reform: Information on Former Recipients' Status*, GAO/HEHS-99-48 (Washington, D.C.: Apr. 28, 1999). In this report we identified 18 studies about former recipients and summarized the findings from eight of these studies (representing seven states) based on whether the results could be generalized to most families who left welfare in the state at the time of the study. The states we studied are Indiana, Maryland, Oklahoma, South Carolina, Tennessee, Washington, and Wisconsin. Because the seven states' studies differed in time periods covered—from as early as 1995 to as late as 1998—and categories of families studied, the results are not completely comparable.

[7] Employment rates in various studies generally excluded families who returned to welfare. Removing families who return to welfare from the employment rate calculations results in higher employment rates, because many former recipients who return to the welfare rolls are not employed.

[8] Christine Devere, *Studies of Welfare "Leavers"*, (Washington, D.C.: Congressional Research Service, 2001).

reported working at some point since leaving welfare.[9] Studies also show that not all families who leave welfare remain off the rolls. For example, the Urban Institute study using 1999 NSAF data reported that 22 percent of those who had left the rolls were again receiving benefits at time of the survey follow-up.

Although most adults in former welfare families were employed at some time after leaving welfare, many worked at low-wage jobs. Of those who left welfare, former recipients in the seven states we reviewed had average quarterly earnings that generally ranged from $2,378 to $3,786 or from $9,512 to $15,144 annually.[10] This estimated annual earned income is greater than the maximum annual amount of cash assistance and food stamps that a three-person family with no other income could have received in these states.[11] However, if these earnings were the only source of income for families after they leave welfare, many of them would remain below the federal poverty level.[12] On the basis of additional information from the NSAF, a 2001 Urban Institute study estimated that about 41 percent of those who left the welfare rolls were below the federal poverty level, after including an estimate of the earned income tax credit and the cash value of food stamps and subtracting an estimate of payroll taxes.[13] While some former welfare recipients are no longer poor, others can be considered among the working poor. Nationwide, about 16 percent of the nonelderly population lives in families in which adults work, on

[9] Pamela Loprest, *How Are Families Who Left Welfare Doing Over Time? A Comparison of Two Cohorts of Welfare Leavers* (Washington, D. C.: Urban Institute, 2000). Respondents had been off TANF from between 3 months to more than 12 months at time of follow-up interview.

[10] We estimated annual incomes by extrapolating quarterly earnings; states did not provide information on annual earnings. Using this method may overestimate the annual earnings, as a former recipient may have worked fewer than four quarters.

[11] In these seven states, for a single-parent, three-person family with no income, the maximum annual amount of cash assistance and food stamps combined ranged from $6,000 in Tennessee to $9,744 in Washington as of January 1997.

[12] For 1998, the federal poverty level for a family of three was $13,650.

[13] Pamela Loprest, *How Are Families That Left Welfare Doing? A Comparison of Early and Recent Welfare Leavers*, Series B, No. B-36 (Washington, D.C.: Urban Institute, 2001).

average, at least half of the time yet have incomes below 200 percent of the federal poverty level.[14]

## The Focus of Welfare Spending Has Shifted from Monthly Cash Payments to Services

Prior to welfare reform, states focused their welfare spending on providing monthly cash payments. However, since welfare reform, states are spending a smaller proportion of welfare dollars on monthly cash payments and a larger share of welfare funds on services. Rather than emphasizing income maintenance among welfare families, under TANF, states are focusing their welfare spending on work support services that help both welfare families and other low-income families find and maintain employment. In addition to using welfare dollars to support work, the flexibility of TANF also allows states to use these funds to provide other services designed to promote self-sufficiency among low-income families.

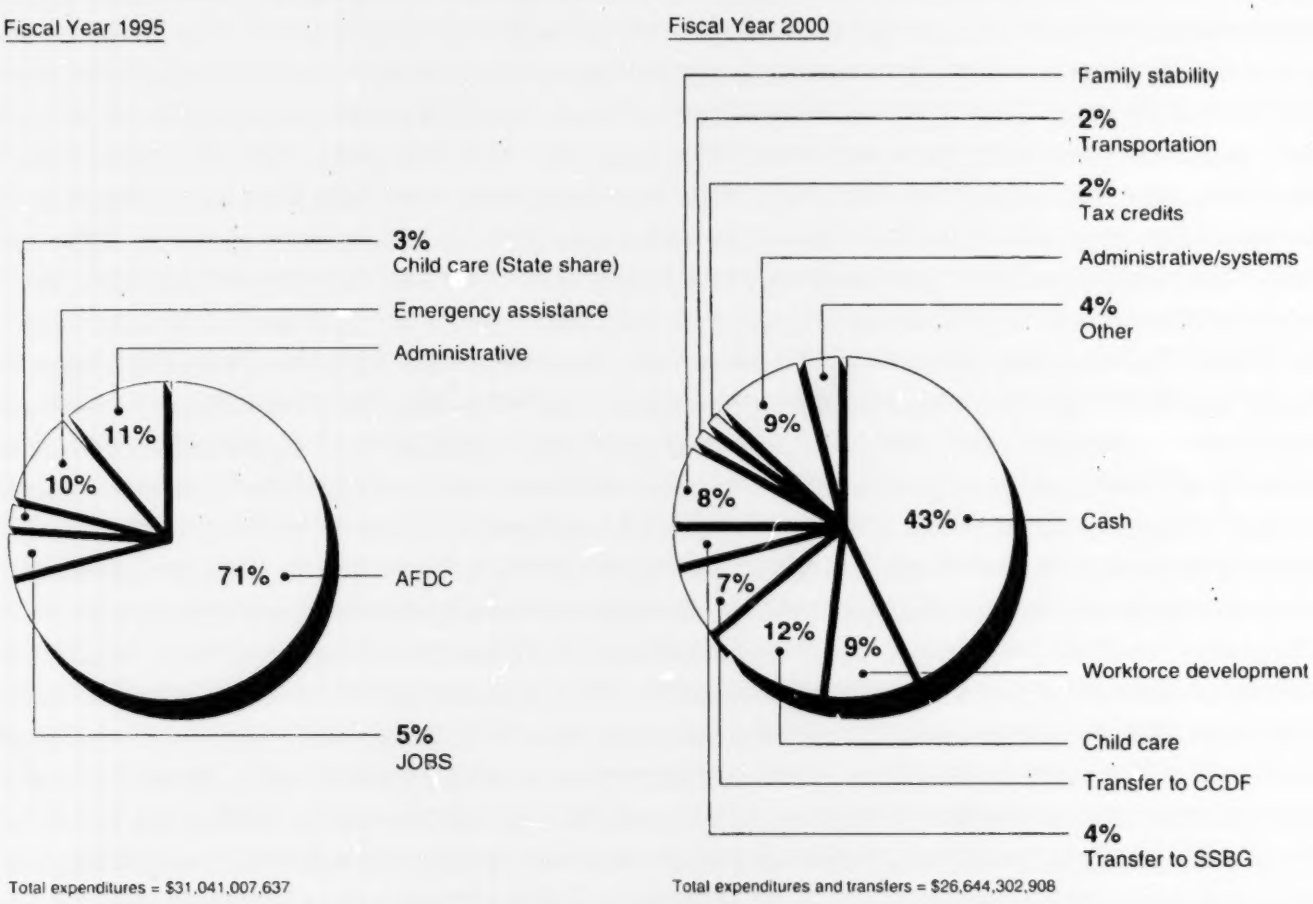
### Most Welfare Dollars Are No Longer Spent on Monthly Cash Payments

As shown in figure 1, in fiscal year 1995, spending on AFDC—a program that primarily provided monthly cash payments—totaled 71 percent of welfare spending. In contrast, in fiscal year 2000, spending on cash assistance totaled only 43 percent of welfare spending. During that same period, the percent of total welfare dollars spent on other benefits and services increased from 18 percent to 48 percent. Overall, welfare spending declined from fiscal year 1995 to fiscal year 2000, in part because (1) states chose to leave part of their TANF block grant allotments for fiscal year 2000 as unspent reserves in the U.S. Treasury, as allowed under PRWORA[15] and (2) MOE requirements for states are only 80 percent or 75 percent of states' pre-PRWORA share of welfare spending.

[14]See Gregory Acs, Katherine Ross Phillips, and Daniel McKenzie, *On the Bottom Rung: A Profile of Americans in Low-Income Working Families*, Series A, No. A-42 (Washington, D.C.: Urban Institute, 2000).

[15] For more information on this issue, see U.S. General Accounting Office, *Welfare Reform: Challenges in Maintaining a Federal-State Fiscal Partnership*, GAO-01-828 (Washington, D.C.: Aug. 10, 2001).

**Figure 1: Nationwide Comparison of Fiscal Year 1995 Expenditures for Welfare Programs Used to Determine the Amount of the TANF Block Grant and MOE and Fiscal Year 2000 TANF and MOE Expenditures and Transfers**




Note 1: Categories shown for fiscal year 2001 but not for fiscal year 1995 (such as tax credits) could have existed in fiscal year 1995 but been paid for with nonwelfare dollars not included in this chart.

Note 2: The chart does not include the $8,625,779,575 (36%) of available TANF funding that was left unspent at the end of fiscal year 2000.

Note 3: TANF funds transferred to the CCDF and SSBG may not have been expended in fiscal year 2000; rather, these funds may have been reserved in the CCDF and SSBG for future use.

Source: GAO analysis of fiscal year 1995 data from the Congressional Research Service and fiscal year 2000 data from HHS.

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Also indicative of the shift from cash to service spending is that in fiscal year 1995, no state spent more than 50 percent of its welfare dollars on services or benefits other than monthly cash payments, compared to fiscal year 2000 when 26 states used more than 50 percent of their TANF/MOE expenditures for services. Nationwide, child care was the noncash service for which the greatest proportion of TANF/MOE funds were used. Overall, in fiscal year 2000, states spent 19.2 percent of their TANF/MOE funds on child care. Among all of the welfare service categories, 32 states spent the greatest proportion of TANF/MOE funds on child care.

## States Are Providing More Work Support Services for Welfare Families

Unlike AFDC, which focused on income maintenance for welfare families, federal and state welfare policies under TANF have focused on helping welfare families secure and maintain employment. To achieve this objective, states have expanded and intensified their provision of work support services. Officials in all five of the states we visited said their states are providing employment services to more welfare families under their current TANF programs than they were under pre-welfare reform employment programs.

The types of work-support services that many states provide for their welfare recipients include

- job search, job placement, and job readiness services;
- intensive case management services to assess individual clients' barriers to work and provide referrals for support services aimed at removing those barriers; and
- services to help clients obtain and maintain employment, including subsidized child care, transportation, and short-term loans for work-related supplies.

## States Offer Many Services to Low-Income Families Not Receiving Welfare

Prior to welfare reform, welfare spending was generally focused on families receiving monthly cash payments. Since welfare reform, states have more flexibility in how and on whom they spend welfare dollars. As a result, states are providing more services to low-income families who are not on welfare, including those who have recently left welfare. For example:

- Most of the surveyed states use TANF/MOE funds to provide child care subsidies to the general low-income population.
- Wisconsin uses TANF/MOE funds to provide employment, education, and training services to low-income families not receiving cash assistance.

- Pennsylvania uses TANF/MOE funds to provide job retention, advancement, and rapid reemployment services to persons not receiving TANF cash assistance.

The flexibility of TANF/MOE funds has also allowed states to establish services aimed at protecting and developing children, strengthening families, and promoting self-sufficiency. For example:

- Orange County, California, uses TANF dollars to help fund centers that provide after school activities, literacy programs, domestic violence services, and substance abuse prevention programs.
- Indiana uses TANF/MOE funds for child development programs and to subsidize textbook rental fees for low-income children.
- Texas uses TANF funds to provide high-risk parents with intensive services, beginning prior to the birth of a child, to prevent low birth-weight and child abuse and to promote school completion for teen parents.

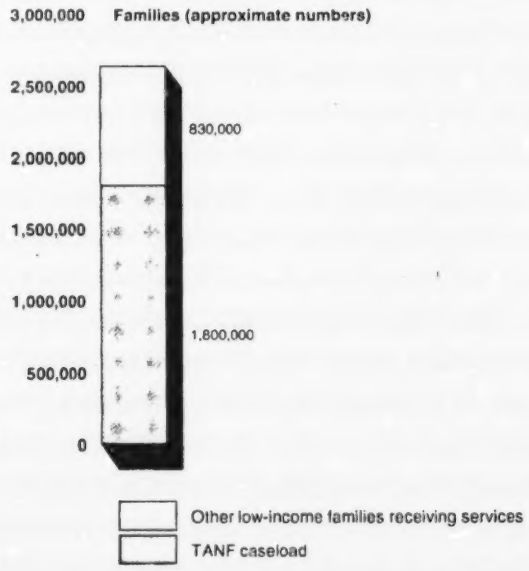
## Many Low-Income Families Receiving TANF/MOE-Funded Services Are Not Reflected in TANF Caseload Data

While states are using TANF/MOE dollars to provide services to many families who do not receive monthly cash assistance payments, these families are not included in the reported TANF caseload, and the actual number of these families is unknown. Based on our survey of 25 states, we estimate that at least 46 percent more families than are in the reported TANF caseload are receiving TANF/MOE-funded services. Data available from most states give an incomplete picture of the number of families served with TANF/MOE dollars, and state officials raised concerns about the possibility of additional TANF reporting requirements being imposed to provide more complete data on these families.

### At Least 46 Percent More Families than Are in the TANF Caseload Receive a Service Funded with TANF/MOE Dollars

As shown in figure 2, we found that in addition to the approximately 1.8 million families counted in the TANF caseload for 25 surveyed states, at least another approximately 830,000 families were receiving a TANF/MOE-funded service but were not included in the reported TANF caseload. These approximately 830,000 families are not included in the reported TANF assistance caseload because they do not receive monthly cash assistance payments and the services they receive do not fall under the definition of assistance in the TANF regulations.

**Figure 2: Estimated Minimum Number of Low-Income Families Receiving TANF/MOE-Funded Services Who Are Not in the TANF Caseload and Families in the TANF Caseload for 25 Surveyed States**




Note 1: Chart includes the largest unduplicated count of service recipients for each state.

Note 2: Services covered by the chart were funded with at least 30 percent TANF/MOE dollars.

Note 3: Data are the 2001 monthly averages or the most recent month for which data on service recipients were available from each state.

Note 4: Data used for all states were on families, except Wisconsin, for which data on individuals were used.

Source: GAO analysis of data provided by 25 states.

Our estimate likely understates the number of families receiving TANF/MOE-funded services that are not part of the reported TANF caseload. For most states, our estimate only takes into consideration a single TANF/MOE-funded service being provided to low-income families who are not included in the TANF caseload. Usually, this single service is child care because states have extensive data on child care, and because child care is often the TANF/MOE-funded service that serves the most families not receiving cash assistance. Our estimate does not take into consideration many of the services offered by states to low-income families who are not in the TANF caseload because the states could not provide the type of data on those services that we needed to include them

in our estimate. For additional information on how we developed our estimate and on data obtained from states, see appendixes I and II.

Many of the families included in the counts of "other low-income families" in figure 2 are receiving a service that is only partially funded with TANF/MOE dollars. This is because states often mix TANF/MOE funds with funds from other sources to provide a single service. Although TANF/MOE dollars may not have paid for 100 percent of the cost of providing a service, the TANF/MOE portion of the cost can be significant. For example, for states included in our review, the TANF/MOE portion of monthly child care subsidies averaged approximately $266 per family out of a total average subsidy of $499 per family.[16] The average child care subsidy per month per family compares to an average cash benefit per month per family of $407.[17]

## Few States Have More Comprehensive Data on the Number of TANF/MOE Service Recipients

Two of the 25 states we surveyed—Indiana and Wisconsin—had more comprehensive data than could be provided by other states on the number of low-income recipients being served with TANF/MOE dollars. Indiana and Wisconsin had these data because they have information systems that can sort through recipients of subsidized child care and other TANF/MOE-funded services to produce one unduplicated count of recipients across several services.[18]

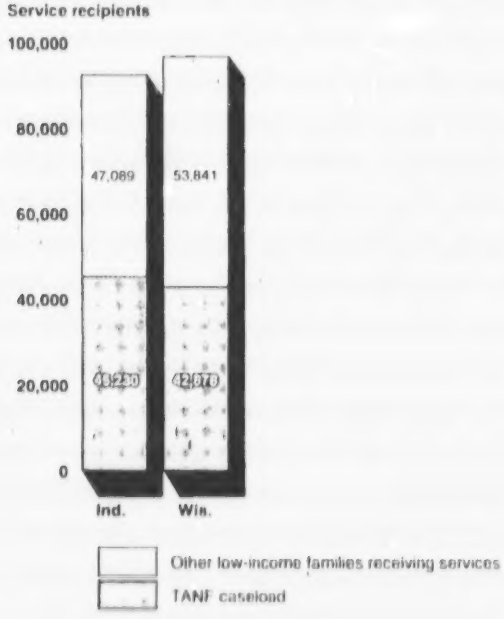
As shown in figure 3, Indiana and Wisconsin found that at least 100 percent more families than are in the states' reported TANF caseloads received TANF/MOE-funded services.

[16] This estimate is for 22 of the surveyed states where data were available and the child care subsidy program was at least 30 percent TANF/MOE-funded.

[17] This average cash benefit per family per month is for a family of 3 in 22 surveyed states. Cash benefit data are for July 2001, and these data are provided in Gene Falk, *Cash Welfare Benefit Amounts* (Washington, D.C.: Congressional Research Service, Nov. 2001), http://www.congress.gov/brbk/html/ebwlf12.html (downloaded March 13, 2002).

[18] That is, Indiana and Wisconsin could count recipients across several services and ensure that, regardless of the number of services received by a recipient, the recipient would only be counted once. North Carolina was also able to provide an unduplicated count of recipients across several services, but its count did not cover child care. For more information on the role of automated information systems in state welfare reform programs, see U.S. General Accounting Office, *Welfare Reform: Improving State Automated Systems Requires Coordinated Federal Effort*, GAO/HEHS-00-48 (Washington, D.C.: Apr. 27, 2000).

**Figure 3: Indiana's and Wisconsin's Estimates of the Number of Low-Income Recipients of TANF/MOE-Funded Services Who Are Not in the TANF Caseload**




Note 1: Chart includes, for each state, an unduplicated count of recipients across several different services, including subsidized child care.

Note 2: Indiana's count of other low income families receiving services includes most of the services funded with TANF/MOE dollars; whereas, Wisconsin's does not.

Note 3: Services covered by the chart were funded with at least 30 percent TANF/MOE dollars.

Note 4: Data are for September 2001.

Note 5: Indiana's data are for families, and Wisconsin's data are for individuals.

Source: GAO analysis of data provided by Indiana and Wisconsin.

The data that are available from most states we surveyed give an incomplete picture of the number of families being served with TANF/MOE dollars. TANF reporting requirements have focused on families who are receiving monthly cash assistance, that is, families in the TANF caseload. Therefore, most states we surveyed have not developed data on families receiving TANF/MOE-funded services who are not in the TANF caseload. During our review, some state officials raised concerns about the possibility of additional TANF reporting requirements being imposed on states to collect information on families not included in the



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TANF caseload. These concerns included that (1) states lack the information systems that would be needed to fulfill additional requirements, (2) fulfilling additional requirements will increase administrative costs, (3) additional data collection requirements could deter states and service providers from offering services because they would not want the administrative burden associated with them, and (4) requiring all service recipients to provide personal identifying information for every service may deter some people from accessing services because of the stigma associated with welfare.

## Concluding Observations

Since the Congress passed welfare reform legislation in 1996, states have taken steps to implement a work-based, temporary assistance program for needy families. As cash assistance caseloads declined in recent years, freeing up resources for other uses, states used some of these funds to involve increasing numbers of welfare families in welfare-to-work activities and to provide services to other low-income families in keeping with the goals of TANF. The increased emphasis on work support and other services for recipients of cash assistance and those not receiving cash assistance represents a significant departure from previous welfare policy that focused on providing monthly cash payments. While the goals and target populations of welfare spending have changed, the key measure of the number of people served remains focused solely on families receiving monthly cash assistance. Although this measure provides important information for administrators and policymakers, it does not provide a complete picture of the number of people receiving benefits or services funded at least in part with TANF/MOE funds. While a more complete accounting of people receiving services could be helpful to understanding how states are using TANF/MOE dollars, requiring states to provide a more complete accounting raises concerns from state officials, including concerns about creating a reporting burden and discouraging people from accessing services.

Mr. Chairman, this concludes my prepared statement. I will be happy to respond to any questions you or other Members of the Committee may have.

## GAO Contacts and Acknowledgments

For future contacts regarding this testimony, please call Cynthia M. Fagnoni at (202) 512-7215 or Gale Harris at (202) 512-7235. Individuals making key contributions to this testimony included Kathy Peyman, Kristy Brown, and Rachel Weber.

# Appendix I: Basis for Estimate Shown in Figure 2

## Basis for Estimate of Minimum Number of Low-Income Families Receiving TANF/MOE-Funded Services Who Are Not in the TANF Caseload

To be included in our estimate of the number of low-income families receiving TANF/MOE-funded services who were not in the TANF caseload, a service or the data on the service had to meet each of the following criteria:

**Service had to be funded with at least 30 percent TANF/MOE dollars**—If a service was funded with at least 30 percent TANF/MOE dollars (and the other criteria were met for our estimate), we included all service recipients not receiving monthly cash payments.

**Data could distinguish between cash and non-cash families**—We only included counts of families who were not receiving monthly cash assistance payments and were not on the TANF caseload.[1]

**Data represented an unduplicated count of recipients**—If counts for different services could not be combined without ensuring that families receiving more than one service were only counted once, we used the count for the largest single service. If a state had information systems that could sort through recipients of various services and develop an unduplicated count of recipients across those services, we used that count for our estimate.[2]

Other aspects of our estimate include the following:

**Number of families**—We used data on the average number of children per family receiving subsidized child care in each state to convert data on child care recipients into estimates of the number of families receiving subsidized child care. When services were determined to have only adult recipients, data for these services were treated as family counts.[3]

**Time period**—We used the most recent available data on service recipients from each state. These were either for a month in 2001 or a

[1] Families who receive monthly cash payments under separate state programs funded with MOE dollars are not included in the TANF caseload. However, we did not include these families in our estimates.

[2] North Carolina was able to provide an unduplicated count of recipients across several services but could not include subsidized child care in that count. Because its count of low-income families receiving subsidized child care was larger than its count across several services we used its count for child care in our estimate.

[3] For one state—Wisconsin—the unduplicated count across several services is of individuals, not families.

monthly average for 2001. For our comparison with TANF caseload, we used the TANF caseload count for the same time period covered by the data on service recipients.

**Table 1: TANF/MOE-Funded Service(s) for Which Recipients Are Included in Figure 2, by State**

| State | Service(s) |
|---|---|
| Arizona | Child care |
| California | Child care |
| Connecticut | Child care |
| Florida | Child care |
| Georgia | Child care |
| Illinois | Child care |
| Indiana | Child care, two child development programs, Individual Development Accounts, subsidized textbook fee program, student grant program, vocational rehabilitation services, short-term crisis services, care support program for disabled children, and utility assistance |
| Kentucky | Child care |
| Louisiana | Child care |
| Maryland | Child care |
| Massachusetts | Child care |
| Michigan | Child care |
| Minnesota | Child care |
| Missouri | Child care |
| New Jersey | Child care |
| New York | Child care |
| North Carolina | Child care |
| Ohio | Child care |
| Oregon | Employment services program |
| Pennsylvania | Child care |
| Tennessee | Child care |
| Texas | Family planning program |
| Virginia | Child care |
| Washington | Child care |
| Wisconsin | Child care, case management program, noncustodial parent program, and employment services program |

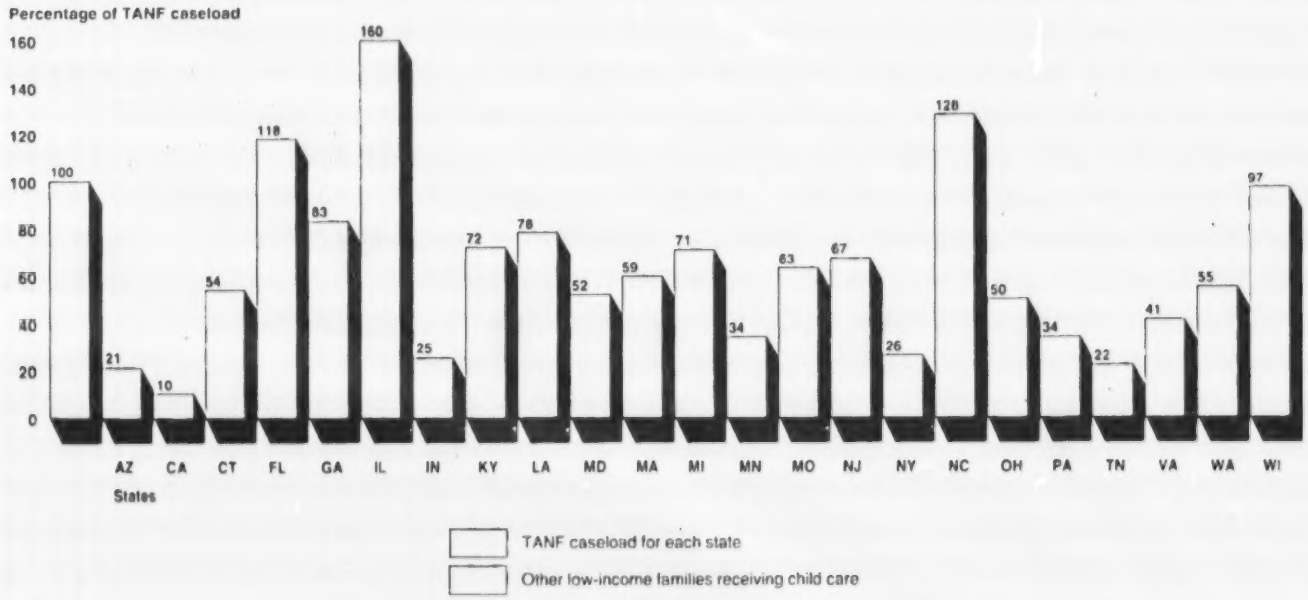
# Appendix II: Data from States on Families Receiving TANF/MOE-Funded Services Who Are Not in the TANF Caseload

The surveyed states varied in their ability to provide data on low-income families receiving TANF/MOE-funded services. States were able to provide these data for families receiving subsidized child care. However, only 11 states were able to provide these data for at least one TANF/MOE-funded service other than child care.

## Child Care Data

Figure 4 shows the data we obtained from states on child care. To show how the number of these families compares to the TANF caseload, each state's count is shown as a percentage of the state's TANF caseload.

**Figure 4: Low-income Families (Not in the TANF Caseload) Receiving Subsidized Child Care in States That Fund Child Care with at Least 30 Percent TANF/MOE Dollars**




Note 1: Data are the 2001 monthly averages or the most recent month for which data on child care recipients were available for each state.

Note 2: Percentages for Oregon and Texas are not included in the chart because their child care programs are not funded with at least 30 percent TANF/MOE dollars.

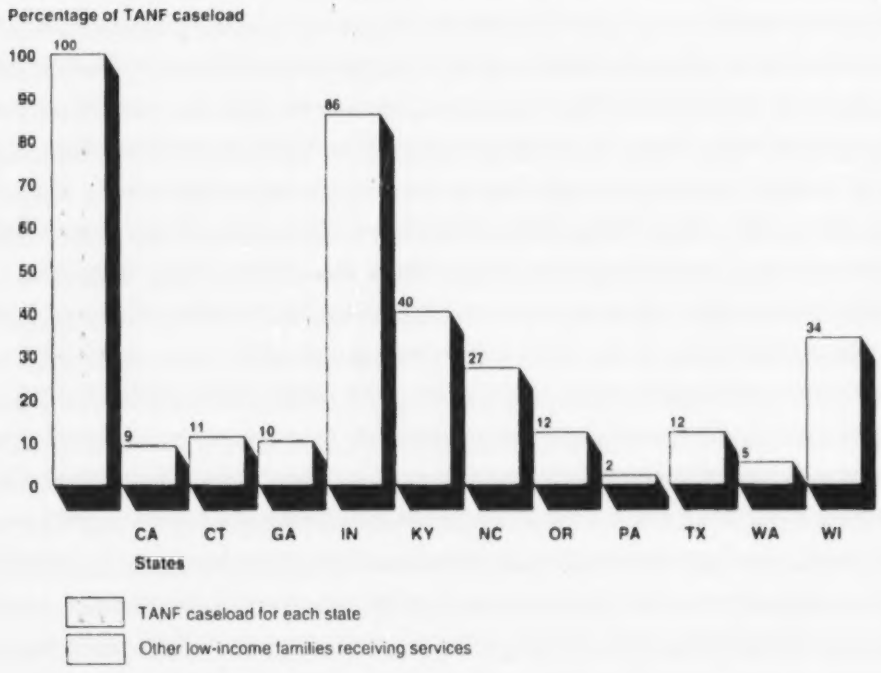
Note 3: Wisconsin's data are for individuals; other states' data are for families.

Source: GAO analysis of data provided by 23 of 25 surveyed states.

## Data on Services Other than Child Care

Although officials from all surveyed states said the states were providing TANF/MOE-funded services other than child care to low-income families who are not in the TANF caseload, they usually did not have data on the number of these families. Only 11 states were able to provide data on at least one service other than child care. Figure 5 shows the data we obtained from states. To show how the number of these families compares to the TANF caseload, each state's count is shown as a percentage of the state's TANF caseload.

**Figure 5: Low-income Families (Not in the TANF Caseload) Receiving Services Other than Child Care Funded in Part with TANF/MOE Dollars**




Note 1: Data are the 2001 monthly averages or the most recent month for which data on child care recipients were available for each state.

Note 2: North Carolina's and Wisconsin's data are for individuals; other states' data are for families.

Source: GAO analysis of data provided by 11 of 25 surveyed states.

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Table 2 shows the services included for each state in figure 5.

**Table 2: TANF/MOE-Funded Service(s) for Which Recipients Are Included in Figure 5, by State**

| State | Service(s) |
|---|---|
| California | Emergency assistance program |
| Connecticut | School readiness program |
| Georgia | Transportation assistance |
| Indiana | Two child development programs, Individual Development Accounts, subsidized textbook fee program, student grant program, vocational rehabilitation services, short-term crisis services, care support program for disabled children, and utility assistance |
| Kentucky | Job retention services |
| North Carolina | 21 services, including: adoption services, home management services, foster care services, family support services, child protective services, child welfare services, pregnancy prevention programs, and other services |
| Oregon | Employment services program |
| Pennsylvania | Employment services program |
| Texas | Family planning program |
| Washington | Job retention and advancement services |
| Wisconsin | Case management program, noncustodial parent program, and employment services program |

# Related GAO Products

*Welfare Reform: States Are Using TANF Flexibility to Adapt Work Requirements and Time Limits to Meet State and Local Needs* GAO-02-501T. Washington, D.C.: March 7, 2002.

*Welfare Reform: More Coordinated Federal Efforts Could Help States and Localities Move TANF Recipients with Impairments Toward Employment* GAO-02-37. Washington, D.C.: October 31, 2001.

*Welfare Reform: Moving Hard-to-Employ Recipients Into the Workforce* GAO-01-368. Washington, D.C.: March 15, 2001.

*Welfare Reform: Work-Site-Based Activities Can Play an Important Role in TANF Programs* GAO/HEHS-00-122. Washington, D.C.: July 28, 2000.

*Welfare Reform: Improving State Automated Systems Requires Coordinated Federal Effort* GAO/HEHS-00-48. Washington, D.C.: April 27, 2000.

*Welfare Reform: State Sanction Policies and Number of Families Affected.* GAO/HEHS-00-44 Washington, D.C.: March 31, 2000.

*Welfare Reform: Assessing the Effectiveness of Various Welfare-to-Work Approaches* GAO/HEHS-99-179. Washington, D.C.: September 7, 1999.

*Welfare Reform: Information on Former Recipients' Status* GAO/HEHS-99-48. Washington, D.C.: April 28, 1999.

*Welfare Reform: States' Experiences in Providing Employment Assistance to TANF Clients* GAO/HEHS-99-22. Washington, D.C.: February 26, 1999.

*Welfare Reform: Status of Awards and Selected States' Use of Welfare-to-Work Grants* GAO/HEHS-99-40. Washington, D.C.: February 5, 1999.

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